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**DEPARTMENT OF  
CONSERVATION  
TE PAPA ATAWHAI**

Report on Non-Departmental  
Output Classes for the year  
ended 30 June 2006

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Presented to the House of Representatives pursuant to Section 32A of the  
Public Finance Act 1989.


As Minister of Conservation I am required under section 32A of the Public Finance Act 1989 to report on outputs which are predominantly supplied by third parties paid directly by the Crown where these are not separately reported to Parliament.

A Statement of Service Performance and a Statement of any Liabilities, Commitments or Contingent Liabilities arising from the purchase is required. The following performance report fulfils this requirement and is based on unaudited figures.

This report covers activities related to the Nature Heritage Fund, Nga Whenua Rahui, Moutoa Gardens/Pakaitore, and New Zealand Biodiversity Advisory and Condition Funds. These are funded under the Vote: Conservation Non-Departmental Output Classes:

Identification and Implementation of Protection for Natural and Historic Places  
Moutoa Gardens/Pakaitore  
New Zealand Biodiversity Advisory Funds

Output Class Management Services: Natural and Historic Places is not included in this report because the Historic Places Trust and the Queen Elizabeth the Second National Trust are both required to submit individual audited financial statements to Parliament.



The Hon Chris Carter  
Minister of Conservation

**OUTPUT CLASS - NEW ZEALAND BIODIVERSITY ADVISORY FUND**

**Description**

This output class covers the NZ Biodiversity Advice Fund and NZ Biodiversity Condition Fund. The Advice Fund focuses on the provision of information and advice to private land managers in order to encourage and facilitate greater protection of biodiversity outside of public conservation lands. The Condition Fund provides assistance with the costs of pest and weed control, fencing and other management actions aimed at improving the condition of biodiversity outside of public conservation lands. These two funds were classified as part of the output class Identification and Implementation of Protection for Natural and Historic Places in previous years.

**Service Performance**

Projected Performance	Performance Achieved
<ul style="list-style-type: none"><li>It is expected that the New Zealand Biodiversity Fund will fund 40 Advice Projects.</li></ul>	46 Biodiversity Advice Projects were approved in the year.
<ul style="list-style-type: none"><li>It is expected that the New Zealand Biodiversity Condition Fund will fund 120 Condition Projects.</li></ul>	156 Biodiversity Conditions Fund Projects were approved during the year.
<ul style="list-style-type: none"><li>The quality of applications to both the Advice Fund and Condition Fund is assessed against the following guidelines: <a href="http://www.biodiversity.govt.nz/land/nzbs/pvtland/conditionapps.html">http://www.biodiversity.govt.nz/land/nzbs/pvtland/conditionapps.html</a>.</li></ul>	All applications received were assessed against the approved guidelines by representatives of Department of Conservation, Ministry for the Environment and Local Government New Zealand.

**Statement of Liabilities, Commitments and Contingent Liabilities**

There was a total of \$4,599,000 outstanding commitments as at 30 June 2006 resulting from approvals to expend funds on both new and existing projects from the New Zealand Biodiversity Advisory and Condition Funds.

**Output Class Costs**

- Actual expenditure for the New Zealand Biodiversity Advisory and Condition Funds was \$2,958,000, compared to the Appropriation of \$7,557,000.

*Comment on Variance*

The balance of the Appropriation committed to new and existing projects (\$4,599,000) is carried forward to when projects come to charge.

## OUTPUT CLASS - MOUTOA GARDENS/PAKAITORE

### Description

### Description

This output class covers the administration of the Moutoa Gardens Historic Reserve by the Reserve Board, the maintenance of the grounds and historic resources and the capital items needed to improve or maintain the key assets of the reserve.

### Service Performance

Planning for the reinstatement of the Joan Morrell statue on the reserve was undertaken by the Board during the year. The statue replaces the original one which was destroyed during the 1995 occupation of the gardens. A decision on its final siting has yet to be made.

Planning for the replacement of the John Ballance statue was the most controversial issue to be dealt with by the Board during the year. The original statue was also destroyed during the 1995 occupation. The statue is to be replaced, however a final decision on its siting has yet to be made. One option considered by the Board and Wanganui District Council was for the statue to be placed outside the Whanganui Regional Museum.

Initial consideration was given to the scope and key principles to be addressed in a management plan for the reserve.

A new Purchase Agreement between the Minister of Conservation and the Board for the period 1 July 2005 to 30 June 2008 was entered into.

Mr Ken Mair was appointed to the Board by the Minister of Conservation to replace Mr Taylor Wiari who resigned.

The gardens continued to be maintained to a high standard.

The board met four times during the year.

### Output Class Costs

- Actual expenditure for the Moutoa Gardens/Pakaitore was \$22,000, compared to the Appropriation of \$22,000.

## INTRODUCTION

This report covers activities related to four funds appropriated under Vote: Conservation Non-Departmental Output Classes:

- Nature Heritage Fund
- Nga Whenua Rahui
- Moutoa Gardens/Pakaitore
- New Zealand Biodiversity Advisory Funds

The following paragraphs cover the overall goals and achievements of the 3 major funds during 2005/06.

### The Nature Heritage Fund:

This year there has been a number of significant additions to New Zealand's protected area estate through purchases by the Nature Heritage Fund, whose goal is to protect indigenous ecosystems that represent the full range of natural diversity originally present in New Zealand by providing incentives for voluntary conservation.

Administered by an independent committee and serviced by the Department of Conservation, the Fund receives an annual allocation of funds from Government. Applications were assessed against the Fund's four levels of ecological criteria of representativeness, sustainability, landscape integrity and amenity/utility and rated nationally to ensure priority was given to the most worthy cases.

Some of the more significant purchases this year have been part of the Government's *Public Wildlands Programme*, which was designed to protect a wider variety of New Zealand's most spectacular and valuable natural areas by bringing them into public ownership. The programme focused on coastal areas and islands where the Fund has had a number of highly successful purchases over the last few years.

This year the Fund fully committed its budget to nine new purchases, plus two covenants to protect 1,307 hectares of nationally important and threatened ecosystems plus previously approved projects requiring additional funding.

Of the 11 new cases approved for funding seven were initiated from private sources and four applications by the Department of Conservation. Non-forest ecosystems comprised around 17% of the area protected by new cases this year, including; 107 hectares wetlands, 34 hectares grasslands and 86 hectares of dunelands/coastal cliff vegetation. The balance included 861 hectares of coastal forest and 219 hectares of lowland forest.

These areas have been protected because they meet the Fund's focused criteria and land purchase strategies that identify the ecosystems most significant and most at risk ranked on a national basis.

A total of 1,133 hectares committed to this year will be administered by the Department of Conservation, 27 hectares will be administered by landowners under covenant and 147 hectares administered by Trusts.

Since 1990 the Fund has protected over 238,586 hectares of indigenous ecosystems.

The Fund operates on the basis of a three year revolving fund committing to cases that at times transcend a number of financial years. This year a sum of \$6,770m that is legally and contractually committed to a number of cases for which public announcements have been made and are awaiting settlement or are currently under negotiation will be carried forward to the 2006/07 financial year.

The ability to transfer commitment forward recognises the involved process in finalising land transactions and also enables the Fund to successfully operate since 1990 in a highly competitive market with funding approved prior to negotiation. This has reduced substantial risk to the Crown that existed prior to this process.

Some of the Fund's more significant purchases completed this year are as follows:

#### **Greville Harbour, D'Urville Island**

Committed in the previous year and purchased by the Nature Heritage Fund this financial year, Greville Harbour is a stunning landscape of cliffs, native forest, sand dunes and lagoon.

The 1,797 hectare Greville Harbour purchase has completed an east-west corridor of reserve across D'Urville Island in the Marlborough Sounds. This purchase has secured an area that could have ended up in private ownership and been developed with risk of its native ecosystems being degraded.

The area contains dramatic duneland, being by far the largest, at around 80 hectares, in the Marlborough Sounds where such duneland is rare. The dunes towering to a height of 25 metres at the northern end and extending inland for 400 metres are archaeologically significant, containing bones of kakapo, moa, tuatara, kokako and various big petrels. Behind the dunes lies a lagoon that is the largest freshwater body in the Sounds and is an important habitat for waterfowl and freshwater fish.

Coastal forest on lower slopes containing kohekohe, kaikomako, titoki and nikau rises to beech and rimu forest on the ridges. Species like kohekohe and mistletoe are flourishing in the area because there are no possums on the island.

The land also contains distinctive and diverse natural features including a nationally important ultramafic coastal cliff, the Bottle Point Cliffs. These cliffs

#### **Statement of Liabilities, Commitments and Contingent Liabilities**

There was a total of \$19,735,000 outstanding commitments as at 30 June 2006 resulting from approvals to expend funds on both new and existing projects from both the Nature Heritage and Nga Whenua Rahui Funds.

#### **Output Class Costs**

- Actual expenditure for both the Nature Heritage Fund and SILNA was \$7,812,000, compared to the Appropriation of \$23,839,000.

##### *Comment on Variance*

The balance of the Appropriation committed to new and existing projects (\$16,027,000) is carried forward to when projects come to charge.

- Actual expenditure for the Nga Whenua Rahui fund was \$3,328,000, compared to the Appropriation of \$7,036,000.

##### *Comment on Variance*

The balance of the Appropriation committed to new and existing projects (\$3,708,000) is carried forward to when projects come to charge.

### Protection of indigenous ecosystems in Maori ownership through Nga Whenua Rahui (NWR)

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> <li>It is expected that 40 consultations with owners will be undertaken.</li> </ul>	As a result of consultations, 3,500 hectares over 16 sites were put into protection by the Nga Whenua Rahui Fund.
<ul style="list-style-type: none"> <li>It is expected that 12 new covenants / management agreements will result and outstanding covenants from previous years will be completed.</li> </ul>	16 new covenants were approved and 16 previously approved Kawenata/Agreements were formally signed between the Minister of Conservation and Tangata Whenua.
<ul style="list-style-type: none"> <li>The quality of proposals for protection is assessed against the NWR set of criteria. These criteria assess the ecological, cultural, spiritual and other values inherent in each application.</li> </ul>	All applications considered by the Nga Whenua Rahui Committee met the set criteria. All applications included detailed ecological reports.
<ul style="list-style-type: none"> <li>The NWR committee will make recommendations on proposals, with final approval by the Minister of Conservation.</li> </ul>	The Minister of Conservation approved all recommendations from the Nga Whenua Rahui Committee.
<ul style="list-style-type: none"> <li>It is expected that 16 Maturanga Kura Taiao projects will be assisted. The quality of proposals will be assessed against the Maturanga Kura Taiao set of criteria.</li> </ul>	17 projects were assisted which met the criteria under the Maturanga Kura Taiao Fund.

are part of the Nelson mineral belt and one of the few ultramafic cliff areas in the country.

#### Stonewall Block, Wairarapa

A spectacular piece of coastal flat known as the Stonewall Block was purchased by the Nature Heritage Fund. This 121 hectares of coastal property near Cape Palliser on the Southern Wairarapa coast runs from the western part of the famous Ngapotiki Fan to the boundary of land owned by the local iwi Ngati Hinekawa and rises from sea level to meet with the Haurangi Forest Park that forms a back drop to this magnificent piece of coast.

The Koers family are to be commended for preserving the special uniqueness of the area over the years and for offering the land for conservation purposes when it could have been sold privately for more.

There is a diverse range of regionally threatened plant species and communities that make this an extremely important biological area that is almost unique to the lower North Island. In combination with the adjoining Haurangi Forest Park it will provide complete sequences of vegetation from shore line to hill top that are not protected elsewhere. In addition the well defined Ngapotiki Fan which has scientific and educational values will also be protected.

One of the conditions of the purchase of this property by the Nature Heritage Fund was that four wheel drive vehicles will continue to be excluded as there is a potential risk of vehicles causing damage to the biodiversity of this unique piece of New Zealand's landscape heritage.

#### Nga Whenua Rahui:

This year there have been a number of significant additions to New Zealand's protected area estate mainly through covenanting by the Nga Whenua Fund. The Fund's goal is to protect indigenous ecosystems on Maori owned land that represent a range of natural diversity originally present in New Zealand by providing incentives for voluntary conservation.

The Fund is administered by an independent committee of respected Maori leaders and serviced by the Department of Conservation. An annual allocation of funds from Government is given to the Nga Whenua Rahui Fund. Applications were assessed against the Fund's ecological criteria of representativeness, sustainability and landscape integrity as well as taking into account the spiritual and cultural values Maori associate with their lands.

This year the Fund protected 3,500 hectares of indigenous ecosystems on privately-owned Maori Land.

In tandem with this protection was the formal signing of 16 Kawenata/Agreements that had previously been approved by the Minister of Conservation.

Ongoing management costs in terms of pest control for possums was completed on 4 sites covering 13,000 hectares and feral goat control on 14 sites covering 45,000 hectares.

Significant projects undertaken and protected this year were:

***Mainland Island – Ngapukeariki, Eastern Bay of Plenty***

The completion of the establishment of a 1,400 hectare mainland island at Ngapukeariki which is part of the 10,000 Mangaroa/Ohotu block owned by members of the Whanau a Apanui Iwi, which has a Nga Whenua Rahui kawenata.

***Kokako Translocation – Ngapukeariki, Eastern Bay of Plenty***

In 2005 19 Kokako were translocated from Waimana to Ngapukeariki in the eastern Bay of Plenty. Ngapukeariki is situated in the 10,000 hectare Mangaroa/Ohotu block which is owned by members of the Whanau a Apanui Iwi and is subject to a Nga Whenua Rahui kawenata.

The site was chosen because it had been a natural habitat of kokako in the past and the area is steeped in spiritual, historical and cultural richness. A primary step in the process was an intensive pest management programme that commenced several years prior to the release.

The translocation took many months of planning. Firstly negotiations were held between Tuhoe, the Iwi from where the birds derived, and Te Whanau a Apanui. Once agreement was reached between the two Iwi, consent was required from the Department which included detailing how the operation would be carried out.

Nga Whenua Rahui staff in consultation with Te Whanau a Apanui elected to employ a direct release method called '**acoustic anchoring**' which had not previously been used in the translocation of kokako.

This method involves strategically placing recordings of kokako song to simulate a kokako environment. By playing recorded kokako song from a network of speakers suspended in trees the birds own song was used to anchor them within their new surroundings more quickly and less stressfully than the traditional aviary method.

The translocation coupled with the rigorous pest control has been very successful with ongoing monitoring by Nga Whenua Rahui staff showing the kokako have established territories within their adopted home. Many have now paired, and to date Nga Whenua Rahui can confirm that one chick has successfully fledged.

**Protection of indigenous ecosystems in Maori ownership on South Island Landless Natives Act (SILNA) land through the Nature Heritage Fund (NHF)**

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> <li>It is expected that approval will be given to two trusts to protect indigenous ecosystems on two blocks of SILNA land.</li> </ul>	Approval was given to four trusts to protect ecosystems on four blocks of SILNA land.
<ul style="list-style-type: none"> <li>The quality of proposals for protection is assessed against the NHF's set of criteria and the approval criteria set by Cabinet. These criteria assess the ecological, landscape and other values inherent in each application.</li> </ul>	All approvals met the Nature Heritage Fund's criteria.
<ul style="list-style-type: none"> <li>The NHF committee will make recommendations on proposals, with final approval by the Minister of Conservation.</li> </ul>	All recommendations from the Nature Heritage Fund Committee were sent to the Minister of Conservation for approval.

NON-DEPARTMENTAL OUTPUT CLASSES

STATEMENT OF SERVICE PERFORMANCE

OUTPUT CLASS - IDENTIFICATION AND IMPLEMENTATION OF PROTECTION FOR NATURAL AND HISTORIC PLACES

Description

This output class covers:

- The protection of indigenous ecosystems on private land or in Maori ownership through the use of contestable funds.

Service Performance

Protection of indigenous ecosystems on private land through the Nature Heritage Fund (NHF)

Projected Performance	Performance Achieved
<ul style="list-style-type: none"><li>• It is expected that 30 negotiations will be undertaken, resulting in 10 purchases and four covenants protecting 3,000 hectares.</li></ul>	The Nature Heritage Fund undertook 58 negotiations, resulting in nine purchases and two covenants protecting 1,307 hectares.
<ul style="list-style-type: none"><li>• The quality of proposals for protection is assessed against the NHF's set of criteria. These criteria assess the ecological, landscape and other values inherent in each application.</li></ul>	All approvals met the Nature Heritage Fund's criteria.
<ul style="list-style-type: none"><li>• The NHF committee will make recommendations on proposals, with final approval by the Minister of Conservation.</li></ul>	All recommendations from the Nature Heritage Fund Committee were sent to the Minister of Conservation for approval.

People who took part in the project have many reasons to feel proud. This is the largest transfer of the species yet and the first successful release straight into the wild without the use of an aviary.

*Te Tumu Kaituna, Tauranga*

This site involved the formal protection by kawenata of a 75 hectare wetland on three adjoining blocks near Te Puke and Papamoa East. Part of the site of the application area has a category one sand dune community of “national importance”, harbouring the nationally uncommon hinepare plant, the best of its type in the Bay of Plenty. A wetland enhancement programme is planned for this site.

*Motuoapa, Lake Taupo*

Formal protection by Management Agreement of this site comprises two highly significant wetland areas of 234 hectares. Situated near Turangi and alongside State Highway 1 and on the shores of Lake Taupo, it is part of a continuous largely unmodified 1,540 hectare wetland.

This wetland has an important role in the control of trapping sediments and nutrients washed off the Kaimanawa and Tongariro high country during heavy rainfalls. The property with its headland has very important hydrological and biophysical properties for the enhancement of the Lake.

*Mohakatino-Paraninihi, North Taranaki*

This site involved the formal protection by kawenata of a 513 hectare property. The Mohakatino blocks are situated 60 kilometres north of New Plymouth and is part of a large tract of indigenous forest spreading inland to the Whanganui National Park and enveloping a large (28) Recommended Areas for Protection (RAP) sites.

The property is part of a corridor providing important habitat for North Island brown kiwi and kaka. It also contains the ecological criteria for the endangered short-tailed bat.

New Zealand Biodiversity Advisory Funds:

Two funding rounds were held this year allocating \$2,769,000 to initiatives on private land. A high level of interest from private landowners wishing to protect the biodiversity values on their properties continued with the both the Condition and Advice Funds being oversubscribed.

Projects approved include substantial contributions from other sources and has resulted in the allocation from the Funds attracting a further \$3,230,000 of funding. Other contributions include monies contributed by landowners, local authorities, community trusts and the Queen Elizabeth the Second National Trust.

Biodiversity Condition Fund projects included protection of areas of native forest, wetlands, riparian, coastal habitat and tussock grasslands. In addition

threatened species including, blue duck, kiwi, hutton shearwater, taiko, skink and mudfish have benefited from increased protection through the various projects, for example animal pest operations. Projects approved involve approximately 63 kilometres of fencing principally for forest, estuarine and wetland protection. Animal pest operations cover approximately 50,000 hectares of private land.

In addition landowners are benefiting from the various Biodiversity Fund Advice grants providing direct information and advice to them through the funding of project coordinator positions, publications and land management-biodiversity awareness raising resources funded through the Advice Fund.

Highlights from the Funds include;

- The Yellow Eyed Penguin Trust working on the east coast of the South Island from Banks Peninsula through to Southland continues to protect the threatened Yellow-Eyed Penguin. The Trust received grants of \$108,764 to continue the work in two specific aspects of their work, the landowner advisory service and the position responsible for maintaining the revegetation and predator control programmes.
- The Horizon's Regional Council is working on the 'Big Green Rig' a mobile education unit visiting public venues and schools within the region. The Funds are contributing \$60,000 for the biodiversity displays while the Council is contributing the balance for the \$330,000 project. The Council intend to use this awareness raising facility at 30 public venue sites and 70 schools annually.
- A number of coordinator positions have received funding in various regions including, Northland, Great Barrier Island, Coromandel, East Taranaki, West Coast, Southland and Stewart Island. These nine projects relate to specific project coordination, strategy development for the area involved, and advice and liaison with private landowners on biodiversity protection and between community groups, Councils and agencies to ensure maximised benefits from the biodiversity projects being undertaken.
- Kiwi projects were received from established groups in Northland and Taranaki extending the land area and number of landowners involved in the projects. New projects (integrated with other operations) in southern Coromandel and Bay of Plenty were also approved to protect kiwi populations on private land.
- An individual landowner working with the Kaikoura District Council, Environment Canterbury, Queen Elizabeth the Second National Trust and the Department received funding of \$32,000 for a pest control programme over 836 hectares of private reserve which is home to a population of endangered Hutton Shearwater.
- Seven projects on the Chatham Islands received a total grant of \$54,550 and will assist the landowners working with Environment

Canterbury to undertake possum control on their covenanted areas of indigenous bush.

During the year a report was commissioned to assess the alignment of approved projects from the previous two funding rounds against current biodiversity priorities. This proved to be a useful check on placement of funding to 'at risk' biodiversity classifications. The report found 78% of the projects were located in 'at risk' Land Environment New Zealand "environments" with almost half (48%) of the ecosystem projects located in the two highest threatened categories. The projects focussing on species showed little alignment with 'acutely threatened' locations, this reflecting the projects being focussed on threatened species and not threatened ecosystems. Even so, 70% of the kiwi projects were located in 'critically under-protected', 'at risk' or 'chronically threatened' environments.

The Fund currently has over 500 active projects and the majority span a number of financial years due to the seasonal timing of plantings and pest operations. Private landowners are undertaking these projects whilst maintaining their business or occupation and these factors all result in projects being completed beyond the year in which they are originally funded.